

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration 500 West Temple Street, Room 713, Los Angeles, California 90012 (213) 974-1101 http://ceo.lacounty.gov

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Fifth District

July 23, 2009

To:

Supervisor Don Knabe, Chairman

Supervisor Gloria Molina

Supervisor Mark Ridley-Thomas Supervisor Zev Yaroslavskv

Supervisor Michael D. Antonovich

From:

William T Fujioka

Chief Executive Officer

FEDERAL FUNDING TO COUNTIES AND CITIES

This memorandum responds to a request made by Supervisor Antonovich during a discussion of Agenda Item No. 74-B on June 30, 2009, on a report back on what Federal funding is provided to cities that is not provided to Los Angeles County and whether there are legal actions that can be taken to challenge the distribution of Federal funds.

<u>Direct Federal Formula Grants to Local Governments</u>

There are relatively few Federal formula grant programs which allocate funds directly to cities and counties. Only two of those programs allocate funds to a city within Los Angeles County, but not to the County:

- Port Security Grants are allotted to the cities of Los Angeles and Long Beach because they operate major seaports. The County is not eligible to receive funding because it does not operate a major seaport; and
- Housing Opportunities for Persons with AIDS (HOPWA) grants are allotted to the City of Los Angeles because, under Federal law, HOPWA funds are allotted to and administered by the most populous city on behalf of an eligible metropolitan area, including the Los Angeles County area. The City allocates a portion of its allotment to public housing authorities, including the County's Housing Authority, for the provision of rental assistance.

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The County receives funding under all of the other Federal formula grants, which allocate funds directly to some cities within the County, including the Community Development Block Grant, HOME Investment Partnership Program, Section 8 Housing, Public Housing, Emergency Shelter Grant, Byrne Justice Assistance Grant, and Energy Efficiency and Conservation Block Grant.

There also are Federal formula grants which allocate funds to the County, but not to any city within the County, including the State Criminal Alien Assistance Program, Southwest Border Prosecutors Program, Ryan White AIDS Emergency Assistance Grants, and Payment-in-Lieu of Taxes. In addition, there are a number of health formula grants to states, such as Public Health Emergency Preparedness, Hospital Preparedness, HIV Prevention and Surveillance, Sexually Transmitted Disease Prevention, and Tuberculosis Elimination Grants, for which the County is one of a few local jurisdictions nationwide that receive direct Federal grants. While Pasadena and Long Beach have public health departments, they are not large enough to receive direct Federal public health funding.

Federal Formula Grant Funding Through the State

Most Federal formula grant funds are allocated to states rather than to local governments. The County receives far more of such Federal formula grant funding from the State of California than all of the County's 88 cities combined. This is because the County receives major Federal revenue through health and welfare entitlement programs, such as Medicaid, Temporary Assistance for Needy Families, Title IV-E Foster Care and Adoption Assistance, and Child Support Enforcement, which account for well over half of total Federal aid to states and local governments, including California. Unlike cities, the County receives funding because it either administers or provides services funded by these programs.

There also are a number of Federal formula grants to states, such as various Workforce Investment Act, Older Americans Act, and homeland security programs, which require states to pass through funds to local service areas, many of which are administered locally by counties or cities. The County receives direct pass-through funding through all of the programs in which one or more cities in the County qualify for direct funding except for Urban Area Security Initiative and interoperable communications grant funds, which the City of Los Angeles administers those grants on behalf of the entire County area. The County, however, receives a share of such funding and also is represented on the local governing bodies responsible for making funding decisions. Under the State Homeland Security Grant Program and Emergency Management Performance Grant, the County administers funds on behalf of the entire County area.

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Other Federal Grant Funding

In addition to receiving Federal formula grant funding, the County or cities within the County also can receive Federal funding that is awarded either through competitive grants or Congressional earmarks. Due to the nature of competitive grants and earmarks, in any given year, there will be cities that receive funding which the County does not receive, and vice versa.

Please let me know if you have any further questions.

WTF:RA MT:sb